

**House File 677 - Reprinted**

HOUSE FILE 677

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 458)

(SUCCESSOR TO HSB 127)

(As Amended and Passed by the House April 11, 2023)

**A BILL FOR**

1 An Act relating to native winery and native brewery retail  
2 alcohol licenses.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.3, subsection 45, Code 2023, is  
2 amended to read as follows:

3 45. "Retail alcohol license" means a class "B", class "C",  
4 special class "C", class "D", class "E", or class "F" retail  
5 alcohol license, or a special class "B" or special class "C"  
6 retail native wine license issued under [this chapter](#).

7 Sec. 2. Section 123.30, subsection 3, paragraph a,  
8 subparagraph (1), subparagraph division (c), Code 2023, is  
9 amended to read as follows:

10 (c) The holder of a class "B" retail alcohol license may  
11 sell beer to class "C", special class "C", special class "C"  
12 retail native license, class "D", and class "F" retail alcohol  
13 licensees for resale for consumption on the premises. Such  
14 beer sales shall be in quantities of not more than five cases  
15 of beer, high alcoholic content beer, and canned cocktails,  
16 but not more than one such sale shall be made to the same  
17 retail alcohol licensee in a twenty-four-hour period. A class  
18 "A" beer permittee shall be held harmless concerning any beer  
19 resold as authorized by this subparagraph division.

20 Sec. 3. Section 123.30, subsection 3, paragraph b, Code  
21 2023, is amended by adding the following new subparagraph:

22 NEW SUBPARAGRAPH. (3) A special class "C" retail native  
23 wine license shall authorize the holder to sell beer and native  
24 wine as provided in section 123.31C.

25 Sec. 4. Section 123.30, subsection 3, paragraph d,  
26 subparagraph (4), Code 2023, is amended to read as follows:

27 (4) The holder of a class "E" retail alcohol license may  
28 sell beer to class "C", special class "C", special class "C"  
29 retail native license, class "D", and class "F" retail alcohol  
30 licensees for resale for consumption on the premises. Such  
31 beer sales shall be in quantities of not more than five cases  
32 of beer, high alcoholic content beer, and canned cocktails,  
33 but not more than one such sale shall be made to the same  
34 retail alcohol licensee in a twenty-four-hour period. A class  
35 "A" beer permittee shall be held harmless concerning any beer

1 resold as authorized by this subparagraph.

2 Sec. 5. NEW SECTION. 123.31C Authority under special class  
3 "C" retail native wine license.

4 1. A person holding a special class "C" retail native  
5 wine license may sell beer and native wine only at retail for  
6 consumption on or off the premises. Sales of beer and native  
7 wine for consumption off the premises made pursuant to this  
8 section shall be made in original containers except as provided  
9 in subsection 5.

10 2. A special class "C" retail native wine licensee having  
11 more than one place of business where wine is sold and served  
12 shall obtain a separate permit for each place of business.

13 3. A person holding a special class "C" retail native wine  
14 license may purchase wine for resale only from a native winery  
15 holding a class "A" wine permit.

16 4. A person holding a special class "C" retail native wine  
17 license may purchase beer as follows:

18 a. From class "A" beer permittees.

19 b. From class "B" retail alcohol licensees or class "E"  
20 retail alcohol licensees in quantities of not more than  
21 five cases of beer, high alcoholic content beer, and canned  
22 cocktails, but not more than one such purchase shall be made by  
23 the licensee in a twenty-four-hour period. A class "A" beer  
24 permittee shall be held harmless concerning any beer resold as  
25 authorized by this subsection.

26 5. Subject to the rules of the department, sales made  
27 pursuant to this section may be made in a container other  
28 than the original container only if all of the following  
29 requirements are met:

30 a. The beer or native wine is transferred from the original  
31 container to the container to be sold on the licensed premises  
32 at the time of sale or when sold by telephonic or other  
33 electronic means.

34 b. The person transferring the beer or native wine from  
35 the original container to the container to be sold shall be

1 eighteen years of age or more.

2 *c.* The container to be sold shall be no larger than  
3 seventy-two ounces.

4 *d.* The container to be sold shall be securely sealed by a  
5 method authorized by the department that is designed so that if  
6 the sealed container is reopened or the seal tampered with, it  
7 is visibly apparent that the seal on the container of beer or  
8 native wine has been tampered with or the sealed container has  
9 otherwise been reopened.

10 6. A container of beer or native wine other than the  
11 original container that is sold and sealed in compliance  
12 with the requirements of subsection 5 and the rules of the  
13 department shall not be deemed an open container subject to the  
14 requirements of sections 321.284 and 321.284A if the sealed  
15 container is unopened and the seal has not been tampered with,  
16 and the contents of the container have not been partially  
17 removed.

18 Sec. 6. Section 123.36, subsection 1, Code 2023, is amended  
19 by adding the following new paragraph:

20 NEW PARAGRAPH. *0e.* Special class "C" retail native wine  
21 license fees shall be one hundred twenty-five dollars.

22 Sec. 7. Section 123.45, subsection 3, Code 2023, is amended  
23 to read as follows:

24 3. A person engaged in the wholesaling of beer or wine  
25 may sell only disposable glassware, which is constructed of  
26 paper, paper laminated, or plastic materials and designed  
27 primarily for personal consumption on a one-time usage  
28 basis, to retailers for use within the premises of licensed  
29 establishments, for an amount which is greater than or equal  
30 to an amount which represents the greater of either the amount  
31 paid for the disposable glassware by the supplier or the amount  
32 paid for the disposable glassware by the wholesaler. Also,  
33 notwithstanding any other provision of [this chapter](#) or the fact  
34 that a person is the holder of a class "A" beer permit, a native  
35 brewery may be granted not more than two class "C" retail

1 alcohol licenses or not more than two special class "C" retail  
2 alcohol licenses, both as defined in [section 123.30](#), regardless  
3 of whether that person is also a manufacturer of native  
4 distilled spirits pursuant to a class "A" native distilled  
5 spirits license or a manufacturer of native wine pursuant to a  
6 class "A" wine permit.

7 Sec. 8. Section 123.130, subsection 2, Code 2023, is amended  
8 to read as follows:

9 2. Pursuant to [section 123.45, subsection 3](#), a native  
10 brewery may be granted not more than two class "C" retail  
11 alcohol licenses or not more than two special class "C" retail  
12 alcohol licenses.

13 Sec. 9. Section 123.176, subsection 5, Code 2023, is amended  
14 to read as follows:

15 5. Notwithstanding any other provision of [this chapter](#), a  
16 person engaged in the business of manufacturing native wine  
17 may be granted a class "C" retail alcohol license or special  
18 class "C" retail native wine license as defined in section  
19 123.30. A manufacturer of native wine may be granted not more  
20 than two class "C" retail alcohol licenses or special class "C"  
21 retail native wine licenses. A manufacturer of native wine  
22 may be issued a class "C" retail alcohol license or special  
23 class "C" retail native wine license regardless of whether the  
24 manufacturer is also a manufacturer of beer pursuant to a class  
25 "A" beer permit or a manufacturer of native distilled spirits  
26 pursuant to a class "A" native distilled spirits license.